

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Independent Auditors' Reports
Financial Statements and
Required Supplementary Information
Supplementary Information
Schedule of Findings

June 30, 2007 and 2006

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

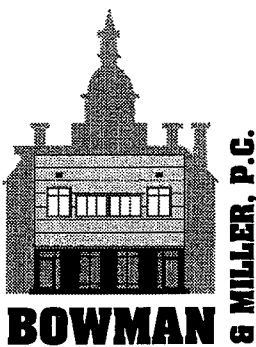
Table of Contents

	<u>Page</u>
Officials	1
Independent Auditors' Report	2-3
Management's Discussion and Analysis	4-6
Basic Financial Statements:	<u>Exhibit</u>
Statements of Cash Receipts, Disbursements and	
Changes in Cash Basis Net Assets	A 7-8
Notes to Financial Statements	9-14
Supplementary Information:	
Schedules of Comparisons of Disbursements with Budgets	15-16
Independent Auditors' Report on Internal Control over Financial Reporting and	
on Compliance and Other Matters Based on Audits of Financial	
Statements Performed in Accordance with <u>Government Auditing Standards</u>	17-18
Schedule of Findings	19
Audit Staff	20

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Open	Commission Member	City of Vining
Jim Fagan	Commission Member	City of Gladbrook
Lori Leytham	Commission Member	City of Garwin
Open	Commission Member	City of Lincoln
Dale Gericke	Commission Member	City of Montour
Mike Henle	Commission Member	City of Toledo
Steve Van De Walle	Commission Member	City of Chelsea
Jane Svoboda	Commission Member	City of Clutier
Bob Hill	Commission Member	City of Tama
Ora Hennessy	Commission Member	City of Dysart
Mark Mason	Commission Member	City of Traer
Ervern Nekola	Commission Member	City of Elberon
Shelley Buffalo	Commission Member	Sac & Fox Tribal Council
Larry Vest	Commission Member	Board of Supervisors
Keith Sash	Commission Member	Board of Supervisors
Patrick Henry	Commission Member	Board of Supervisors
Duane Leek	Administrator	
Lyle Brehm	Advisor	
Susan Jones	Clerk / Treasurer	



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-309-5461 • FAX 515-278-0287

James R. Bowman, CPA • jim@syscompia.com
Elizabeth A. Miller, CPA • beth@syscompia.com
Suzanne M. Mead, CPA • suzanne@syscompia.com

Independent Auditors' Report

To the Members of Tama County
Solid Waste Disposal Commission:

We have audited the accompanying financial statements of Tama County Solid Waste Disposal Commission as of and for the years ended June 30, 2007 and 2006. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements are prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the Tama County Solid Waste Disposal Commission as of and for the years ended June 30, 2007 and 2006 and the changes in its cash basis financial position for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2007 on our consideration of the Tama County Solid Waste Disposal Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Management's Discussion and Analysis on pages 4 through 6 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

The Schedules of Comparisons of Disbursements with Budgets on pages 15 through 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bowman & Miller, P.C.

Marshalltown, Iowa
October 16, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Tama County Solid Waste Disposal Commission provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities of the Tama County Solid Waste Disposal Commission is for the fiscal years ended June 30, 2007 and 2006. We encourage readers to consider this information in conjunction with the Commission's financial statements, which follow.

2007 FINANCIAL HIGHLIGHTS

- The Commission's operating receipts for fiscal year 2007 were \$555,370 and for fiscal year 2006 they were \$477,221. This represents an increase of 16% or \$78,149, from fiscal 2006 to fiscal 2007.
- The Commission's operating disbursements for fiscal year 2007 were \$464,875, and for fiscal year 2006 they were \$388,660. This represents an increase of 20%, or \$76,215, from fiscal 2006 to fiscal 2007.
- The Commission's cash basis net assets for fiscal year 2007 were \$3,019,467, and for fiscal year 2006 they were \$2,809,311. This represents a 7% change or \$210,156 from fiscal 2006 to fiscal 2007.

USING THIS ANNUAL REPORT

The Commission has elected to present its financial statements on a cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. The basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the Commission's cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Commission's cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the Tama County Solid Waste Disposal Commission's basic financial statements. The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Commission's financial activities.
- The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets presents information on the Commission's operating receipts and disbursements, non-operating receipts and disbursements and whether the Commission's financial position has improved or deteriorated as a result of the year's activities.
- The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS OF THE COMMISSION

Statements of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets

The purpose of the statements are to present the receipts received by the Commission and the disbursements paid by the Commission, both operating and non-operating. The statements also present a fiscal snapshot of the cash balances at year end. Over time, readers of the financial statements are able to determine the Commission's cash basis financial position by analyzing the increase and decrease in cash basis net assets.

Operating receipts are received for gate fees from accepting solid waste and assessments (per capita fees) from the members of the Commission. Operating disbursements are disbursements paid to operate the landfill. Non-operating receipts and disbursements are for interest on investments, payments for new equipment and capital projects. A summary of cash receipts, disbursements and changes in cash basis net assets for the fiscal years ended June 30, 2007 and June 30, 2006 are presented below:

Changes in Cash Basis Net Assets		
	Year ended June 30,	
	2007	2006
Operating receipts:		
Per capita assessments	\$ 89,003	99,567
Tipping fees and gate charges	465,335	375,347
Miscellaneous	1,032	2,307
Total operating receipts	555,370	477,221
Operating disbursements:		
Salaries	127,653	127,621
Education	1,196	1,123
Office supplies	1,231	2,419
Telephone	714	696
Postage	886	478
Recycling	71,420	50,882
Utilities	5,457	4,445
Fuel and oil	32,867	31,723
Clothes and uniforms	40	-
Repairs	34,855	10,907
Development and improvements	14,046	7,869
Payroll taxes	10,214	10,056
IPERS - employer share	7,340	7,339
Health insurance	39,860	43,327
Insurance	20,191	16,350
Mileage	569	587
Engineering/testing/inspection	33,804	39,529
Professional fees	3,500	3,500
Tonnage fees	58,879	29,809
Miscellaneous	153	-
Total operating disbursements	464,875	388,660
Excess of operating receipts over operating disbursements	90,495	88,561
Non-operating receipts (disbursements):		
Interest on investments	143,661	98,470
New equipment	(24,000)	(177,147)
Net non-operating receipts (disbursements)	119,661	(78,677)
Change in cash basis net assets	210,156	9,884
Cash basis net assets beginning of year	2,809,311	2,799,427
Cash basis net assets end of year	\$ 3,019,467	2,809,311

In fiscal 2007, operating receipts increased by \$78,149, or 16% over fiscal 2006. The increase was almost entirely a result of gate fees increasing by \$89,988 due to an increase in waste received. Member contributions remained the same, given that the per capita fee and populations remained unchanged, but \$10,564 was received after the close of the 2007 fiscal year. In fiscal 2007, operating disbursements increased by \$76,215, or 20%, from fiscal 2006. The primary reason for the increase was due to increases in tonnage fees, recycling costs and repairs.

LONG-TERM DEBT

At June 30, 2007 and 2006, the Commission had no debt.

ECONOMIC FACTORS

The Tama County Solid Waste Disposal Commission continued to slightly improve its financial position during the current fiscal year. However, the current condition of the economy in the state continues to be a concern for Commission officials. Some of the realities that may potentially become challenges for the Commission to meet are:

- Facilities require maintenance and upkeep.
- Technology continues to expand and current technology becomes outdated, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Amounts restricted for closure and post-closure accounts are based on constantly changing cost estimates and the number of tons of solid waste received at the facility.
- A deadline mandated by the U.S. Environmental Protection Agency and imposed by the Iowa Department of Natural Resources states that all waste be deposited on a Subtitle D landfill liner. The current cell does not meet this standard. The Commission is currently constructing a new cell in order to meet these requirements.
- New cells require large outlays of capital, which is then recouped through tipping fees from garbage collected. Competition from private landfills in other states pose a threat to the revenue stream that is intended to offset the construction cost of the cell. Current transportation costs have the effect of minimizing this threat, but unknown changes in the future could alter this balance.
- Unforeseen regulatory changes could have an impact on the life of the new cell.

The Commission anticipates the 2007/2008 fiscal year will include increased expenditures as the new cell is developed and opened and will maintain a close watch over resources to maintain the Commission's ability to react to unknown issues.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and vendors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Tama County Solid Waste Disposal Commission
1002 E. 5th St.
Tama, IA 52339

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Statements of Cash Receipts, Disbursements and
Changes in Cash Basis Net Assets
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating receipts:		
Per capita assessments	\$ 89,003	99,567
Tipping fees and gate charges	465,335	375,347
Miscellaneous	1,032	2,307
Total operating receipts	<u>555,370</u>	<u>477,221</u>
Operating disbursements:		
Administrator salary	38,984	37,128
Salaries-full time	58,028	57,386
Salaries-part time	30,641	33,107
Education	1,196	1,123
Office supplies	1,231	2,419
Telephone	714	696
Postage	886	478
Recycling	71,420	50,882
Utilities	5,457	4,445
Fuel and oil	32,867	31,723
Clothes and uniforms	40	-
Repairs	34,855	10,907
Development and improvements	14,046	7,869
Payroll taxes	10,214	10,056
IPERS - employer share	7,340	7,339
Health insurance	39,860	43,327
Insurance	20,191	16,350
Mileage	569	587
Engineering/testing/inspection	33,804	39,529
Professional fees	3,500	3,500
Tonnage fees	58,879	29,809
Miscellaneous	153	-
Total operating disbursements	<u>464,875</u>	<u>388,660</u>
Excess of operating receipts over operating disbursements	<u>90,495</u>	<u>88,561</u>
Non-operating receipts (disbursements):		
Interest on investments	143,661	98,470
New equipment	(24,000)	(177,147)
Net non-operating receipts (disbursements)	<u>119,661</u>	<u>(78,677)</u>
Net change in cash basis net assets	210,156	9,884
Cash basis net assets beginning of year	<u>2,809,311</u>	<u>2,799,427</u>
Cash basis net assets end of year	<u>\$ 3,019,467</u>	<u>2,809,311</u>

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
 Statements of Cash Receipts, Disbursements and
 Changes in Cash Basis Net Assets (Continued)
 For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Basis Net Assets		
Restricted for:		
Closure	\$ 297,700	297,000
Postclosure care	<u>702,300</u>	<u>703,000</u>
Total restricted net assets	1,000,000	1,000,000
Unrestricted	<u>2,019,467</u>	<u>1,809,311</u>
Total cash basis net assets	<u><u>\$ 3,019,467</u></u>	<u><u>2,809,311</u></u>

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements June 30, 2007 and 2006

Note 1 - Summary of Significant Accounting Policies

Tama County Solid Waste Disposal Commission was formed in 1973 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain solid waste and recycling facilities in Tama County on behalf of the units of government which are members of the Commission.

The governing body of the Commission is composed of one representative from each of the twelve member cities, one representative from the Sac and Fox Tribal Council, and three representatives from the Tama County Board of Supervisors. The member cities are: Chelsea, Clutier, Dysart, Elberon, Garwin, Gladbrook, Lincoln, Montour, Tama, Toledo, Traer, and Vining. The Commissioners have one vote each.

A. Reporting Entity

For financial reporting purposes, Tama County Solid Waste Disposal Commission has included all funds, organizations, agencies, boards, commissions and authorities. The Commission has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Commission. The Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Commission are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation, and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

C. Basis of Accounting

Tama County Solid Waste Disposal Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Commission are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements (Continued)

June 30, 2007 and 2006

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

and postclosure care. Accordingly, the financial statements do not present the financial position and results of operations of the Commission in accordance with U.S. generally accepted accounting principles.

D. Net Assets

Funds set aside for payment of closure and postclosure care are classified as restricted.

Note 2 - Cash and Investments

The Commission's deposits in banks at June 30, 2007 and 2006 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Commission; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Commission's investments at June 30, 2007 and 2006 are as follows:

	Type	Carrying Amount	Fair Value
2007	Certificates of deposit	\$ 2,494,242	2,450,454
2006	Certificates of deposit	\$ 2,631,345	2,572,237

Interest rate risk. The Commission's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Commission.

Note 3 - Pension and Retirement Benefits

The Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements (Continued) June 30, 2007 and 2006

Note 3 - Pension and Retirement Benefits (continued)

Plan members are required to contribute 3.70% of their annual salary and the Commission is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Commission's contribution to IPERS for the years ended June 30, 2007, 2006 and 2005, were \$7,340, \$7,339 and \$6,886, respectively, equal to the required contributions for each year.

Note 4 - Control of Landfill Commission Funds

The Commission has two main sources of revenue, gate receipts and per capita assessments. All gate fees are deposited with Tama County. Per capita assessments received are deposited into the checking account at the Commission. Tama County accounts for approximately 35% of per capita assessments. As the County requires additional funds, the Commission will remit a portion of these per capita assessments to Tama County. The majority of claims are paid by Tama County, after approval by the Commission Board.

Note 5 - Compensated Absences

Commission employees accumulate a limited amount of earned but unused compensatory time and vacation leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability for earned compensatory time and vacation payments payable to employees at June 30, 2007 and 2006 is as follows:

<u>Type of Benefit</u>	<u>2007</u>	<u>2006</u>
Vacation & compensatory time	\$ <u>3,469</u>	<u>1,936</u>

This liability has been computed based on rates of pay in effect as of June 30, 2007 and 2006.

Note 6 - Closure and Postclosure Care Costs

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure / postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements (Continued)

June 30, 2007 and 2006

Note 6 - Closure and Postclosure Care Costs (continued)

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total cost consists of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Commission have been estimated at \$221,682 for closure and \$523,058 for postclosure, for a total of \$744,740 as of June 30, 2007. The estimated remaining life of the landfill is 35 years with approximately 56.9 percent of the landfill capacity used at June 30, 2007.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure accounts to accumulate resources for the payment of closure and postclosure care costs. The Commission has accumulated resources to fund these costs and, at June 30, 2007 and 2006, assets of \$1,000,000 are restricted for these purposes. They are reported as restricted cash basis net assets on the Statements of Receipts, Disbursements and Changes in Cash Basis Net Assets.

Note 7 - Solid Waste Tonnage Fees Retained

The Commission retains solid waste tonnage fees in accordance with Chapter 455B.310 of the Code of Iowa. At June 30, 2007 and June 30, 2006, the Commission had no unspent tonnage fees.

Note 8 - Risk Management

Tama County Solid Waste Disposal Commission is a member of the Heartland Risk Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Heartland Risk Pool (Pool) is a local government risk-sharing pool with ten counties as members. The Pool was formed July 1, 1987 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, law enforcement liability, property, and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurances expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Any year

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements (Continued) June 30, 2007 and 2006

Note 8 - Risk Management (continued)

end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Commission's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The Commission's annual contributions to the Pool for the years ended June 30, 2007 and 2006 were \$20,191 and \$16,350, respectively.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains automobile and general liability risks in excess of \$250,000 up to \$1,000,000 per claim. The Pool retains workers' compensation risks in excess of \$350,000 up to \$1,000,000 per claim. Automobile and general liability claims exceeding \$1,000,000 are reinsured in an amount not to exceed \$3,000,000 per claim. Workers' compensation claims exceeding \$1,000,000 are reinsured in an amount not to exceed \$2,000,000. Crime lines of business risks are retained by the Pool up to \$25,000 per occurrence. Automobile physical damage risks are retained by the Pool up to the replacement cost of the vehicle. All property, inland marine, boiler, public officials' errors and omissions, business income and expense and law enforcement liability risks are also reinsured on an individual member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2007, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Initial membership into the Pool is for a mandatory three year period. Subsequent to the initial term, a member may withdraw at the end of any given fiscal year. The initial membership period for Tama County Solid Waste Disposal Commission commenced July 1, 1987 and is subject to renewal every three years. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, the member is refunded 100 percent of its capital contributions; however, the refund is reduced by an amount equal to the annual operating contribution, which the withdrawing member would have made for the one year period following withdrawal and the member's proportionate share of any capital deficiency.

Note 9 - Related Parties

A Commission member is an owner / operator of a garbage collection business which utilizes the Tama County Solid Waste Disposal for its dumping. Receipts during the fiscal years ended June 30, 2007 and 2006 from this business totaled to \$84,086 and \$97,708, respectively. This member owed at June 30, 2007 and 2006, \$7,903 and \$8,479, respectively. He is billed on a monthly basis for invoices charged during the previous month.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements (Continued) June 30, 2007 and 2006

Note 9 - Related Parties (continued)

This same Commission member was also awarded a contract to service a local recycling route. Expenditures relating to this contract amounted to \$16,875 and \$17,600 during the fiscal years ended June 30, 2007 and 2006, respectively.

Note 10 - Commitments

The Commission is currently constructing a new cell. A contract with Steger Construction, Inc. was signed on April 12, 2007 for constructing Phase I of the new cell. The contract was in the amount of \$621,116.14. As of June 30, 2007, no payments had been made.

Note 11 - Subsequent Event

By October 1, 2007, Iowa solid waste landfills must meet the national Municipal Solid Waste Landfill Criteria for artificial liners under the Resource Conservation and Recovery Act (RCRA) Subtitle D, MSW landfill permitting program. Non-compliant landfills must implement closure requirements by October 1, 2007 for all cells not meeting RCRA Subtitle D liner requirements and construct new cells that are in compliance if they are to continue accepting solid waste for disposal.

Tama County Solid Waste Disposal Commission began construction on the new cell prior to June 30, 2007. As of the date of this report, construction was not completed. The landfill is waiting to receive the necessary drainage material to complete construction of the new cell. Due to current demands, the supplier has been delayed in providing the material. The Iowa Department of Natural Resources still considers the landfill to be in compliance under their current administrative rules.

Supplementary Information

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Schedule of Comparisons of Disbursements with Budgets For the Year Ended June 30, 2007

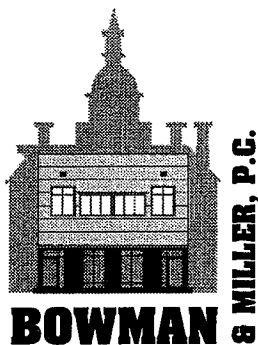
	Budget	Funds Expended Through County Auditor	(Favorable) Unfavorable Variance	Funds Expended Through Landfill Treasurer	Total Funds Expended
Administrator salary	\$ 38,984	38,984	-	-	38,984
Salaries - full time	57,000	58,028	1,028	-	58,028
Salaries - part time	38,000	30,641	(7,359)	-	30,641
Education	3,000	1,196	(1,804)	-	1,196
Office supplies	9,000	1,231	(7,769)	-	1,231
Telephone	1,200	714	(486)	-	714
Postage	1,000	886	(114)	-	886
Recycling	90,000	71,420	(18,580)	-	71,420
Utilities	6,500	5,457	(1,043)	-	5,457
Fuel and oil	35,500	32,867	(2,633)	-	32,867
Clothes and uniforms	200	40	(160)	-	40
Repairs	60,000	34,855	(25,145)	-	34,855
Development and improvements	70,000	14,046	(55,954)	-	14,046
Payroll taxes	10,652	10,214	(438)	-	10,214
IPERS-employer share	8,300	7,340	(960)	-	7,340
Health insurance	39,860	39,860	-	-	39,860
Insurance	19,400	20,191	791	-	20,191
Mileage	600	569	(31)	-	569
Engineering/testing/inspection	35,000	33,804	(1,196)	-	33,804
Professional fees	-	3,500	3,500	-	3,500
Tonnage fees	-	58,879	58,879	-	58,879
Miscellaneous	-	153	153	-	153
New equipment	9,000	24,000	15,000	-	24,000
Buildings	5,000	-	(5,000)	-	-
Total	\$ 538,196	488,875	(49,321)	-	488,875

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Schedule of Comparisons of Disbursements with Budgets For the Year Ended June 30, 2006

	Budget	Funds Expended Through County Auditor	(Favorable) Unfavorable Variance	Funds Expended Through Landfill Treasurer	Total Funds Expended
Administrator salary	\$ 37,128	37,128	-	-	37,128
Salaries - full time	54,600	57,386	2,786	-	57,386
Salaries - part time	30,021	33,107	3,086	-	33,107
Education	5,000	1,123	(3,877)	-	1,123
Office supplies	9,292	2,419	(6,873)	-	2,419
Telephone	1,500	696	(804)	-	696
Postage	1,000	478	(522)	-	478
Recycling	90,000	50,882	(39,118)	-	50,882
Utilities	6,500	4,445	(2,055)	-	4,445
Fuel and oil	18,000	31,723	13,723	-	31,723
Clothes and uniforms	500	-	(500)	-	-
Repairs	60,000	10,907	(49,093)	-	10,907
Development and improvements	70,000	7,869	(62,131)	-	7,869
Payroll taxes	9,855	10,056	201	-	10,056
IPERS-employer share	7,124	7,339	215	-	7,339
Health insurance	43,340	43,327	(13)	-	43,327
Insurance	17,800	16,350	(1,450)	-	16,350
Mileage	600	587	(13)	-	587
Engineering/testing/inspection	35,000	39,529	4,529	-	39,529
Professional fees	-	3,500	3,500	-	3,500
Tonnage fees	-	29,809	29,809	-	29,809
Miscellaneous	-	-	-	-	-
New equipment	150,000	177,147	27,147	-	177,147
Building	5,000	-	(5,000)	-	-
Total	\$ 652,260	565,807	(86,453)	-	565,807

**Independent Auditors' Report on
Internal Control over Financial Reporting and on Compliance and Other Matters
Based on Audits of Financial Statements Performed in Accordance with
Government Auditing Standards**



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-309-5461 • FAX 515-278-0287

James R. Bowman, CPA • jim@syscompia.com
Elizabeth A. Miller, CPA • beth@syscompia.com
Suzanne M. Mead, CPA • suzanne@syscompia.com

Independent Auditors' Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters Based on Audits
of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Members of Tama County
Solid Waste Disposal Commission:

We have audited the financial statements of Tama County Solid Waste Disposal Commission as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated October 16, 2007. Our report expressed an unqualified opinion on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Tama County Solid Waste Disposal Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of Tama County Solid Waste Disposal Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tama County Solid Waste Disposal Commission's internal control financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Tama County Solid Waste Disposal Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood that a misstatement of Tama County Solid Waste Disposal Commission's financial statements that is more than inconsequential will not be prevented or detected by Tama County Solid Waste Disposal Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Tama County Solid Waste Disposal Commission's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in

the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tama County Solid Waste Disposal Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Commission's operations for the years ended June 30, 2007 and 2006 are based exclusively on knowledge obtained from procedures performed during our audits of the financial statements of the Commission. Since our audits are based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the members and customers of Tama County Solid Waste Disposal Commission, and other parties to whom the Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Tama County Solid Waste Disposal Commission during the course of our audits. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Bowman & Miller, P.C.

Marshalltown, Iowa
October 16, 2007

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Schedule of Findings Years Ended June 30, 2007 and 2006

Findings Related to the Financial Statements:

Instances of significant deficiencies:

No matters were reported.

Instances of non-compliance:

No matters were reported.

Other Findings Related to Required Statutory Reporting:

- (1) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (2) Travel expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- (3) Commission Minutes – No transactions were found that we believe should have been approved in the Commission minutes but were not.
- (4) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.
- (5) Solid Waste Tonnage Fees Retained – During the years ended June 30, 2007 and 2006, the Commission used or retained the solid waste fees in accordance with Chapter 455B.310(2) of the Code of Iowa.
- (6) Financial Assurance – The Commission has demonstrated financial assurance for closure and postclosure care costs by establishing a dedicated fund as required by Chapter 567-111.6(9) of the Iowa Administrative Code. The calculation is made as follows:

Total estimated costs for closure and postclosure care	\$ <u>744,740</u>
--	-------------------

Amount Commission has restricted and reserved for closure and postclosure care at June 30, 2007	\$ <u>1,000,000</u>
---	---------------------

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Audit Staff

This audit was performed by:

BOWMAN & MILLER, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Elizabeth A. Miller, C.P.A., Principal
Lori H. Stansberry, C.P.A.